

Chapter 6

Strong Public Health Care

For more than two years, the COVID-19 pandemic has upended our lives, our economy, and our health care system. It has been the greatest public health challenge in more than a century, but historic federal investments in health care—and the dedicated work of health care workers across the country—helped Canada weather the darkest days of the pandemic.

A national effort to get Canadians vaccinated has resulted in Canada becoming one of the most highly vaccinated countries in the world—more than 85 per cent of eligible Canadians have received at least two doses. With the second lowest mortality rate in the G7, Canada's collective response to the pandemic has saved thousands of lives.

If we remain vigilant—if we protect the most vulnerable and make sure we are prepared for any new outbreaks or variants that might arise—we can ensure Canada can live safely with COVID-19.

Now, more than ever, we need to strengthen our health care system and ensure that it delivers the care Canadians deserve. We need to increase the number of doctors and nurses. We need to keep expanding access to mental health care. We need to build on the successes of increased virtual care, so that Canadians can easily consult with a health care professional no matter where they live. And we need to make sure we have reliable, comparable health data.

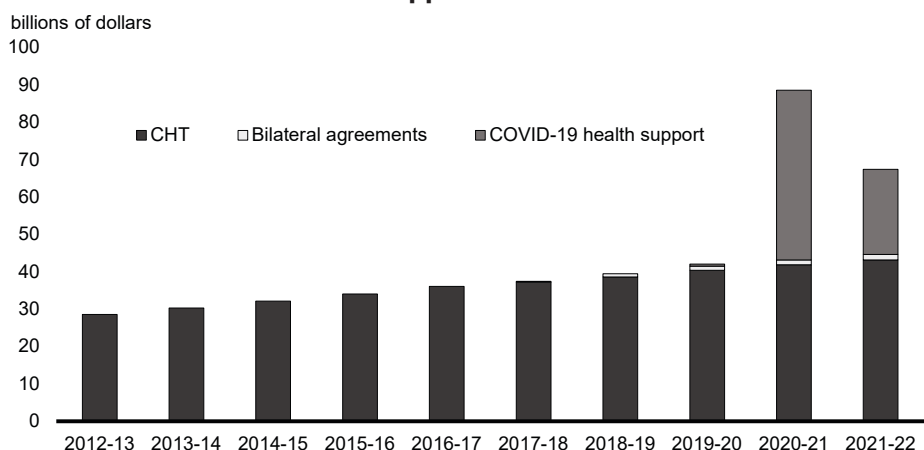
As the federal government continues to work with provinces and territories on investing in health care, Budget 2022 takes immediate steps to reduce backlogs in surgeries and procedures, to make it easier for Canadians to access the mental health care they need, and to continue bolstering our health care system.

Federal Health Care Support During the Pandemic

Since the start of the pandemic, the federal government has invested more than \$69 billion, with more funding to be rolled out in future years, to lead a coordinated federal, provincial, and territorial response to fight COVID-19 and protect the health and safety of Canadians. Some of this funding includes:

- ✓ Over \$17.6 billion to support vaccine procurement, deployment, and administration;
- ✓ Over \$10 billion for testing, contact tracing, data management, and to support provinces and territories in securing rapid tests for Canadians;
- ✓ Over \$12.8 billion for the procurement of personal protective equipment and medical equipment for our health and essential service sectors;
- ✓ \$6.5 billion in top-ups to the Canada Health Transfer (CHT) for provinces and territories to support their pandemic responses, including \$2 billion proposed in March 2022 to continue to address immediate pressures including backlogs in surgeries and procedures;
- ✓ Up to \$4 billion through the 2020 *Fall Economic Statement* and Budget 2021 for provinces and territories to help keep seniors safe in long-term care;
- ✓ \$2 billion in Budget 2021, and an additional \$100 million proposed in the 2021 *Economic and Fiscal Update*, for the Safe Return to Class Fund to improve school ventilation, purchase personal protective equipment, and keep kids, teachers, and staff safe;
- ✓ \$2 billion through the 2021 *Economic and Fiscal Update* to support the procurement of COVID-19 therapeutics, and the associated logistics and operational costs;
- ✓ \$1.2 billion to provinces and territories through the Safe Restart Agreement to bolster health care capacity, support people experiencing mental health and substance use challenges, and provide more than \$600 million for innovative mental health care for Canadians; and
- ✓ \$35 million over four years for Prince Edward Island to advance the implementation of universal national pharmacare.

Chart 6.1
Federal Investments in Health Support



Note: Bilateral agreements include the 2017 agreements on home and community care and mental health and addictions services. COVID-19 health support includes relevant measures listed in Table A1.13.

Source: Department of Finance Canada.

6.1 A Stronger Health Care System

Canadians are proud of their publicly funded health care system, and justifiably so; it has saved thousands of lives over the last two years. However, the pandemic has also placed our health care system under enormous strain and worsened long-standing issues, like shortages of health care workers and the lack of access to primary care in communities across Canada.

The federal government is proposing significant measures to strengthen Canada's health care systems, to reduce pandemic-related backlogs, and to increase the number of doctors and nurses in communities that need them most.

To ensure that no Canadian has to choose between the prescription drugs they need and putting food on the table, the federal government will also continue its ongoing work towards a universal national pharmacare program. This will include tabling a Canada Pharmacare bill and working to have it passed by the end of 2023, and then tasking the Canadian Drug Agency to develop a national formulary of essential medicines and bulk purchasing plan.

Dental Care for Canadians

Seeing a dentist is important for our health, but can be expensive. A third of Canadians do not have dental insurance, and in 2018, more than one in five Canadians reported avoiding dental care because of the cost.

- ▶ Budget 2022 proposes to provide funding of \$5.3 billion over five years, starting in 2022-23, and \$1.7 billion ongoing, to Health Canada to provide dental care for Canadians. This will start with under 12-year-olds in 2022, and then expand to under 18-year-olds, seniors, and persons living with a disability in 2023, with full implementation by 2025. The program would be restricted to families with an income of less than \$90,000 annually, with no co-pays for those under \$70,000 annually in income.

Reducing the Backlogs of Surgeries and Procedures

As hospitals did everything they could to respond to surges in COVID-19 cases, Health Canada estimates that nearly 700,000 medical procedures were cancelled or delayed.

On March 25, 2022, the federal government announced its intention to provide provinces and territories with an additional \$2 billion through a top-up to the Canada Health Transfer to address these backlogs. This will build on the \$4 billion in support provided in 2020-21 as provinces and territories work towards eliminating the backlogs in surgeries and procedures, and on providing the health care that Canadians deserve.

Increasing Loan Forgiveness for Doctors and Nurses in Rural and Remote Communities

In part due to a shortage of doctors and nurses, far too many rural communities—like those in Nova Scotia and Newfoundland and Labrador—still lack the primary health care they need.

As one means of addressing this shortage, the federal government provides student loan forgiveness to doctors and nurses who work in underserved rural or remote communities, including in the North. In 2019-20, nearly 5,500 doctors and nurses benefited from the loan forgiveness program.

- ▶ To help bring more health care workers to the communities that need them most, Budget 2022 proposes to provide \$26.2 million over four years, starting in 2023-24, and \$7 million ongoing, to increase the maximum amount of forgivable Canada Student Loans by 50 per cent. This will mean up to \$30,000 in loan forgiveness for nurses and up to \$60,000 in loan forgiveness for doctors working in underserved rural or remote communities.
- ▶ In addition, the federal government will expand the current list of eligible professionals under the program, with details to be announced in the coming year. The government is also undertaking a review to ensure that the definition of rural communities under the program does not leave out certain communities in need.

Researching the Long-Term Impacts of COVID-19

COVID-19 is still a new disease. Scientists and researchers have come a long way in their understanding of how to treat and prevent it, but we still need to better understand its long-term impacts on many Canadians and our health care system.

- Budget 2022 proposes to provide \$20 million over five years, starting in 2022-23, for the Canadian Institutes of Health Research to support additional research on the long-term effects of COVID-19 infections on Canadians, as well as the wider impacts of COVID-19 on health and health care systems.

Improving Canada's Dementia and Brain Health Research

An estimated one in four Canadian seniors over the age of 85 are diagnosed with dementia. The effects on both those living with dementia and those who care for them can be devastating.

- Budget 2022 proposes to provide \$20 million over five years, starting in 2022-23, for the Canadian Institutes of Health Research to ramp up efforts to learn more about dementia and brain health, to improve treatment and outcomes for persons living with dementia, and to evaluate and address mental health consequences for caregivers and different models of care.

Supporting the Centre for Aging and Brain Health Innovation

The Centre for Aging and Brain Health Innovation, established in 2015 by Baycrest Health Sciences, helps to accelerate innovative solutions in brain health and aging, including to address dementia. The Centre is a unique collaboration of health care, science, industry, not-for-profit and government partners whose aim is to help improve quality of life for the world's aging population, allowing older adults of all backgrounds and abilities to age safely in the setting of their choice while maintaining their cognitive, emotional, and physical well-being.

- Budget 2022 proposes to provide \$30 million over three years, starting in 2022-23, to the Public Health Agency of Canada, for the Centre for Aging and Brain Health Innovation to help accelerate innovations in brain health and aging.

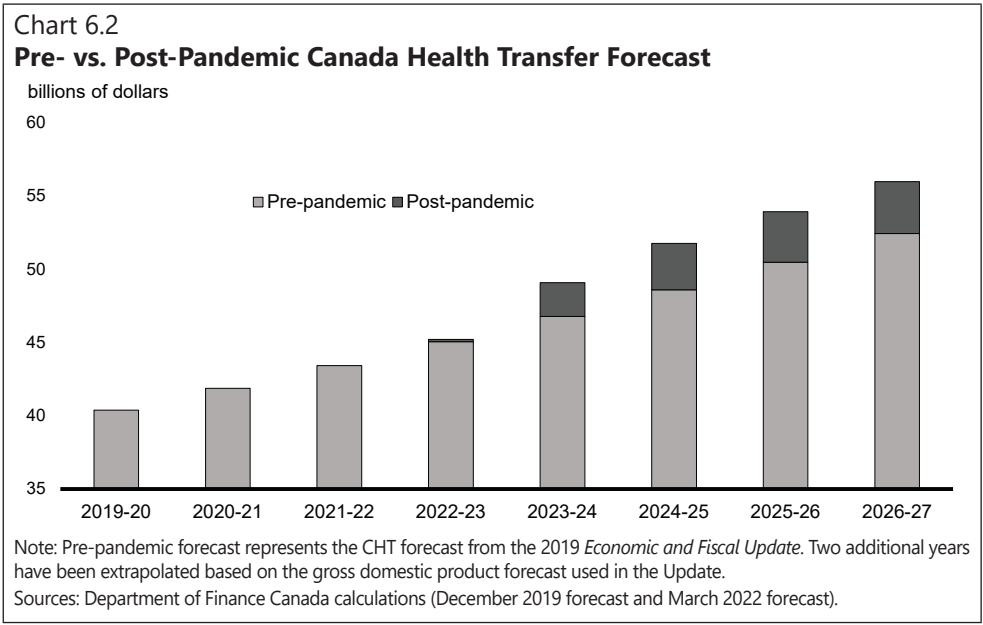
The Canada Health Transfer

The last two years have emphasized the need to fortify our health care system and ensure that the significant federal health transfers to provinces and territories are resulting in the better health care outcomes that Canadians deserve.

The federal government has supported, on average, 33 per cent of provincial and territorial health expenditures through cash and tax point transfers.

The Canada Health Transfer, which provides cash transfers to provinces and territories to support health care, increases in line with economic growth and is guaranteed to increase by at least 3 per cent each year.

In 2022-23, the Canada Health Transfer will provide provinces and territories with \$45.2 billion in support—an increase of 4.8 per cent over the baseline for 2021-22. Thanks to Canada’s strong economic recovery, the Canada Health Transfer is projected to provide provinces and territories with \$12 billion more in funding over the next five years than what was expected prior to the pandemic.



Over the course of the pandemic, roughly eight out of every ten dollars invested in Canada’s COVID-19 response have come from the federal government. Tens of billions of dollars in federal spending have helped keep Canadians safe, but they have also had a significant, positive impact on the public finances of provinces and territories.

The federal government wants to ensure that any additional federal funding will improve Canada's health care system. While Canada spends more of its gross domestic product (GDP) on health care than the Organisation for Economic Co-operation and Development (OECD) average—10.8 per cent vs. 8.8 per cent—the Commonwealth Fund ranks Canada behind peer countries, such as Switzerland, France, Germany, U.K., and Australia, in both access to care and in health care outcomes.

Any conversation between the federal government and the provinces and territories will focus on delivering better health care outcomes for Canadians. To strengthen our public health care, the federal government will remain focused on advancing the priorities of Canadians, including increased access to primary and mental health care; long-term, home, and community care; dental care; and the effective use of high quality data and digital systems. On the latter, the federal government will work with provinces and territories to ensure that our health care system is underpinned by health data that will support health care system improvements and Canadians' access to their own personal health records.

6.2 Supporting Mental Health and Well-Being

Mental health challenges—just like physical health challenges—can affect anyone at any time. In any given year, one in five Canadians will experience some type of mental health issue or illness. Those challenges are greater, in particular, among youth, Indigenous peoples, Black and racialized Canadians, and members of the LGBTQ2 community.

The last two years have had a significant impact on Canadians' mental health—half of all Canadians have reported that their mental health has worsened during the pandemic.

To help ensure that everyone can receive the care they need, the federal government will invest in identifying and expanding effective mental health interventions.

The government also intends to engage with provinces and territories to inform the development of a new Canada Mental Health Transfer that will support the expansion and delivery of high quality and accessible mental health services across Canada.

These investments will continue to build on the foundation laid in Budget 2021 to expand the delivery of high quality and accessible mental health services for Canadians across the country.

Budget 2021 Investments in Mental Health

Budget 2021 provided significant funding for mental health care, including:

- \$100 million over three years, starting in 2021-22, to support the mental health of Canadians most affected by COVID-19;
- \$140 million over five years, starting in 2021-22, to cover the mental health care costs of veterans with post-traumatic stress disorder (PTSD), depressive, or anxiety disorders while their disability benefit application is being processed;
- \$62 million in 2021-22 for the Wellness Together Canada portal;
- \$45 million over two years, starting in 2021-22, to develop national standards for mental health care;
- \$598 million over three years, starting in 2021-22, to support distinctions-based mental health and wellness strategies co-developed with Indigenous partners; and
- \$50 million over two years, starting in 2021-22, to help those experiencing PTSD due to the pandemic.

Supporting Mental Well-Being With the Wellness Together Canada Portal

The federal government launched the Wellness Together Canada portal in April 2020 in response to the unprecedented rise in levels of stress, anxiety, and depression associated with the pandemic. Since then, more than two million people across Canada have accessed free information and support through the portal. Children and young people make up almost 50 per cent of users, and 42 per cent of texting users have identified themselves as LGBTQ2.

- ▶ Budget 2022 proposes to provide \$140 million over two years, starting in 2022-23, to Health Canada for the Wellness Together Canada portal so it can continue to provide Canadians with tools and services to support their mental health and well-being.

The Wellness Together Canada portal complements PocketWell, a free app launched in January 2022 that helps Canadians access free and confidential sessions with social workers, psychologists and other professionals, as well as other mental health and substance use prevention services from their phone.

Addressing the Opioid Crisis

An increase in opioid-related overdoses and deaths since the beginning of the pandemic has devastated communities across Canada. Tragically, many jurisdictions reported a record number of opioid-related deaths in 2021.

- Budget 2022 proposes to provide \$100 million over three years, starting in 2022-23 to Health Canada for the Substance Use and Addictions Program to support harm reduction, treatment, and prevention at the community level.

This builds on the \$116 million provided in Budget 2021 and \$66 million in the 2020 *Fall Economic Statement* for the Substance Use and Addictions Program. The government continues to work closely with partners to provide a compassionate and evidence-based response to the crisis. Since 2017, the government has dedicated over \$700 million to address the opioid overdose crisis.

Better Mental Health Support for Black Federal Public Servants

Black Canadians face distinct mental health challenges that can arise from structural racism and inequities in access to mental health care. The 2020 Public Service Employee Survey showed that Black federal public servants feel less included in the workplace—a key component of a healthy and safe work environment. The government is committed to supporting a more equitable, diverse, and inclusive workplace for Black public servants across the federal government.

- Budget 2022 proposes to provide \$3.7 million over four years, starting in 2022-23, to the Treasury Board of Canada Secretariat for Black-led engagement, design, and implementation of a Mental Health Fund for Black federal public servants.

6.3 Investing in Public Health

In Canada and around the world, the pandemic has highlighted the essential role of a strong public health system. In the years to come, it will be important to ensure that Canada's public health system is prepared for any crisis it may face.

Investing in public health will mean a Canada that is safer, healthier, and better prepared. Budget 2022 includes investments to take stock of the important lessons learned over the last two years and to ensure that both our health and the well-being of our communities are protected.

Strengthening Canada's Ability to Detect and Respond to Public Health Events and Emergencies

The COVID-19 pandemic has shown how important it is to be able to effectively anticipate and respond to public health risks that threaten the health and safety of Canadians. While the Public Health Agency of Canada has responded well throughout the pandemic, it is crucial to take immediate steps to improve our surveillance capabilities so we are better able to detect and respond to public health events and emergencies in the future.

- To ensure Canada is better prepared to detect and act on public health threats, Budget 2022 proposes to provide \$436.2 million over five years, starting in 2022-23, with \$15.5 million in remaining amortization, to the Public Health Agency of Canada, to strengthen key surveillance and risk assessment capacities within the Agency. This will include supporting the real-time tracking of the evolution of viruses, monitoring the longer-term health impacts of COVID-19, and expanding risk assessment capacity and research networks for new strains of flu, emerging respiratory infections, and vaccine safety and effectiveness.

Maintaining the National Emergency Strategic Stockpile

The National Emergency Strategic Stockpile, managed by the Public Health Agency of Canada, contains critical supplies that provinces and territories can request in the event of an infectious disease outbreak, a natural disaster, or any other major public health event. For the last two years, the stockpile has played an important role in Canada's response to COVID-19.

- Budget 2022 proposes to provide \$50 million in 2022-23 to the Public Health Agency of Canada to support the operations of the National Emergency Strategic Stockpile. Funding will be used to maintain and diversify key medical supply holdings, including personal protective equipment, to ensure that Canada can continue to quickly respond to public health events and other emergencies.

Piloting a Menstrual Equity Fund for Those in Need

Access to menstrual products is a basic necessity, but current barriers make it difficult for some women, girls, trans, and non-binary Canadians to fully participate in school, work, and society. The federal government is committed to addressing the barriers related to affordability and stigma that some Canadians face when accessing menstrual products.

- Budget 2022 proposes to provide \$25 million over two years, starting in 2022-23, for Women and Gender Equality Canada to establish a national pilot project for a Menstrual Equity Fund that will help make menstrual products available to Canadians in need.

Help for Canadians Who Want to Become Parents

Across Canada, there are those who are facing challenges on their journey to become parents. Whether facing fertility issues, being part of a same-sex couple, or just wanting to be able to be a mom or a dad on their own terms, some Canadians rely on surrogacy and expensive procedures in order to build the family they dream of. But currently the Medical Expense Tax Credit is not available to those who need to pay medical expenses of others in order to become a parent.

- ▶ Budget 2022 proposes to allow medical expenses related to a surrogate mother or a sperm, ova, or embryo donor that are incurred in Canada for 2022 and subsequent taxation years to be claimed. This would include costs that have been reimbursed to a surrogate for in vitro fertilization expenses.
- ▶ Budget 2022 also proposes to allow fees paid to fertility clinics and donor banks in Canada in order to obtain donor sperm and ova to be eligible under the Medical Expense Tax Credit for 2022 and subsequent taxation years.

Taxation of Vaping Products

Vaping rates among young people in Canada remain high, and the federal government recognizes the potential risks that vaping products pose to them.

- ▶ Budget 2022 proposes to implement the previously announced excise duty on vaping products, effective as of October 1, 2022. The proposed federal excise duty rate would be \$1.00 per 2 mL, or fraction thereof, for containers with less than 10 mL of vaping liquid. For containers with more than 10 mL, the applicable federal rate would be \$5.00 for the first 10 mL, and \$1.00 for every additional 10 mL, or fraction thereof.

The federal government also invites its provincial and territorial counterparts to join a coordinated vaping taxation framework, under which an additional duty equal to the proposed federal rate would be applied. Total resulting revenues would be split between federal and provincial and territorial governments on a 50/50 basis. The overall tax burden on vaping products will be regularly reviewed to ensure that important public health objectives are being met.

Chapter 6

Strong Public Health Care
millions of dollars

	2021– 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	<i>Total</i>
6.1. A Stronger Health Care System	2,000	313	624	1,227	1,517	1,715	7,396
Dental Care for Canadians	0	300	600	1,200	1,500	1,700	5,300
Reducing the Backlogs of Surgeries and Procedures ¹	2,000	0	0	0	0	0	2,000
Increasing Loan Forgiveness for Doctors and Nurses in Rural and Remote Communities	0	0	6	6	7	7	26
Researching the Long-Term Impacts of COVID-19	0	1	5	5	5	4	20
Improving Canada's Dementia and Brain Health Research	0	1	3	5	5	5	20
Supporting the Centre for Aging and Brain Health Innovation	0	10	10	10	0	0	30
6.2. Supporting Mental Health and Wellbeing	0	104	104	34	1	0	244
Supporting Mental Well-Being with the Wellness Together Canada Portal	0	70	70	0	0	0	140
Addressing the Opioid Crisis	0	33	33	33	0	0	100
Better Mental Health Support for Black Federal Public Servants	0	1	1	1	1	0	4
6.3. Investing in Public Health	-646	80	62	43	-124	-129	-714
Strengthening Canada's Ability to Detect and Respond to Public Health Events and Emergencies	0	78	173	173	6	6	436
Maintaining the National Emergency Strategic Stockpile	0	50	0	0	0	0	50
<i>Less: Year-Over-Year Reallocation of Funding</i>	<i>-650</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-650</i>
Piloting a Menstrual Equity Fund for Those in Need	0	6	19	0	0	0	25
Help for Canadians Who Want to Become Parents	4	15	15	15	15	15	79

	2021– 2022	2022– 2023	2023– 2024	2024– 2025	2025– 2026	2026– 2027	Total
Taxation of Vaping Products	0	-69	-145	-145	-145	-150	-654
Additional Investments – Strong Public Health Care	-50	208	13	0	0	0	171
Canadian Food Inspection Agency COVID-19 Business Continuity Funding	0	20	0	0	0	0	20
Funding proposed for the Canadian Food Inspection Agency to maintain a reliable level of CFIA inspection services during the ongoing COVID-19 pandemic, ensuring continued access to safe food for Canadians and international market access for Canadian agricultural products.							
Help Health Canada Finish the Fight Against COVID-19	0	50	0	0	0	0	50
<i>Less: Year-Over-Year Reallocation of Funding</i>	<i>-50</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-50</i>
Funding proposed to support Health Canada's continued response to the COVID-19 pandemic. This will allow Health Canada's scientists and officials to continue to provide Canadians and the health care system with expedited access to vaccines, therapeutics, tests and other health products and information critical for diagnosing, treating, and preventing the spread of the virus.							
Making Service Canada Centres Safe and Secure	0	30	0	0	0	0	30
Funding proposed for Employment and Social Development Canada to continue to offer in-person services at Service Canada centres during the COVID-19 pandemic while implementing necessary public health precautions. This is particularly important for vulnerable segments of the population who rely more heavily on in-person services, especially youth, newcomers, racialized communities, and individuals without reliable access to the internet.							
Preventing the Spread of COVID-19 in Correctional Facilities	0	65	13	0	0	0	77
Funding proposed for the Correctional Service of Canada to continue its actions to limit the spread of COVID-19 within federal correctional institutions and keep inmates and staff safe.							
Maintaining the ArriveCAN Application	0	25	0	0	0	0	25
Funding proposed for the Canada Border Services Agency to support the maintenance of the ArriveCAN application.							
Continued Support for the Canadian Proof of Vaccination Credential	0	18	0	0	0	0	18
Funding proposed for the Public Health Agency of Canada to continue to work with provincial and territorial governments, and with international partners, to ensure that the Canadian Proof of Vaccine Credential remains valid, secure, and accessible to Canadians							
Chapter 6 - Net Fiscal Impact	1,304	705	804	1,304	1,394	1,586	7,097

Note: Numbers may not add due to rounding.

¹Announced March 25, 2022.